

1 Sales activities not my business.

2 Q I'm asking if anything made you
3 suspicious that that was happening, anything
4 anybody said, anything that you observed during
5 the course of those years or after.

6 A I don't really watch them.

7 Q That's not quite my question. My
8 question is was there anything that you saw or
9 you've heard that leads you to believe that there
10 were sales of watches being undertaken by
11 Mr. Andy Yip or Jeff Yip or anyone else
12 associated with this business that were not being
13 reported to you as income?

14 A Okay. I knew one thing. By the end of
15 '98 or '99, I don't remember. Anyhow, it's
16 after IRS audit. Andy told me he bought lots of
17 watch from the vendors and sold it to somebody
18 else without through the company's books. He
19 asked me, since the IRS was looking to those
20 things, he wants me put all these invoices into
21 the book at one time, then input the income at
22 one time too. That's plenty. I don't remember
23 exactly how much. I think -- I don't want to
24 guess.

25 Q How much money, do you recall?

1 A I have to check my books. Sorry. It's
2 plenty, I know.

3 Q Plenty?

4 A Plenty, yeah, and big stack of
5 invoices. He wanted me to invoice it into last
6 few months of the year, but I don't remember
7 which year.

8 Q Ninety-eight? Ninety-seven?

9 A Not that early. Either '98 or '99. I
10 don't want to guess here, but I can find out.

11 Q Was this after you had closed the books
12 for that year already? Was this after that year
13 was over?

14 A Not after year over. Anyhow, I didn't
15 close the year-end by that time, and he told me
16 because IRS was looking to those things and he
17 consulted his lawyer, he says he has that much
18 money didn't report in the book. So he want to
19 put -- I think either his lawyer advised him, or
20 he want to put into book at one time.

21 Q Okay. So did you do what he asked you
22 to?

23 A Yes.

24 Q So you inputted those invoices into the
25 records of the corporation?